

29 August 2013

# Fiducian Continued Strength

Annual Result to 30 June 2013

- Net consolidated profit after tax of \$3.27 million
- Company remains debt free with positive working capital and cash flow position
- Fully franked final dividend of 3.60 cents per share which makes a total of 7.00 cents per share for the financial year
- Acquisition of financial planning practice and accounting practice

## BUSINESS PERFORMANCE

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non-bank aligned financial services organisation, has reported a net consolidated profit after tax for the financial year, of \$3.27 million.

The Board remains cautious, but is confident that in spite of strong headwinds the industry has experienced over nearly five years or so, the future of the business in its present form is sound and likely to strengthen in an improving economic and financial market environment. As a result, a fully franked final dividend of 3.60 cents per share has been declared which will bring the total fully franked dividend of 7.00 cents per share.

A key feature and strength of the company is that it continues to remain debt free and exhibits a positive working capital and cash flow position.

The year can best be described as one of consolidation following the hectic activity of last year which saw a number of financial planning acquisitions, further development of accounting services, the continuing enhancement of software systems and the transition to a new custodian for the safekeeping of client assets on our platforms. The acquisitions have assimilated well within our business, our systems are delivering greater efficiency whilst under our control and work with our new custodian has improved processing and reporting.

The Fiducian business model is vertically integrated and captures the full value chain of financial

## MEDIA RELEASE

planning, portfolio administration, funds management, tax accounting and IT systems enabling growth and profitability. Each business pillar contributes individually and jointly to a superior service offering to our clients.

### **FINANCIAL PLANNING – growing franchise network**

The extensive training and financial planner specialisation in various segments that differentiate our financial planners from the marketplace has continued. In addition referral arrangements have been initiated with accountants, who themselves have shown an interest in financial planning.

#### **Franchised Offices**

Fiducian expects the highest level of compliance and client service from its franchised network. Even though the generation of higher inflows is important, our commitment is to quality. As a consequence, client retention has been high and franchised offices now comprise around 44% of our funds under administration. Another six franchisees were added during the financial year and they have gone through the normal training and induction processes.

#### **Salaried Offices**

Company owned offices with salaried financial planners based in New South Wales, Victoria, Western Australia, Queensland and Tasmania have continued to contribute to overall results. Two financial planners retired from service this year, with an orderly transition of clients to younger experienced financial planners, that has enabled the retention of clients and no change in the Fiducian quality of care and service. Salaried offices now comprise over 43% of funds under administration.

### **PLATFORM ADMINISTRATION – quality service hallmark**

Fiducian Platform Administration offers portfolio wrap administration for superannuation and investment services to the planner marketplace. The hallmark of the Fiducian administration offering is quality in terms of daily processing, accuracy and customer service.

## MEDIA RELEASE

### **Funds Under Administration**

Funds under administration increased in total by 8% to \$0.93 billion. We expect some acquired client bases to gradually transition to Fiducian platforms if it is appropriate for them. Clients could then enjoy the full benefit of our personalised service and quality investment strategies.

### **Independent Financial Planners (IFAs)**

Funds under administration for IFAs are around 11% of total funds under administration. A restructure of our offer to IFA should open up opportunities within this segment of the market.

### **INVESTMENT MANAGEMENT – our diversified funds remain regularly in or close to top quartile positions**

Fiducian is a multi asset, multi style investment manager. We design Funds that seek to deliver above average returns over the short to medium term, which by consistent averaging, tend to deliver superior returns, compared with their peers, over the longer term.

Blending of underlying portfolios within asset sectors and tilts towards different manager's styles, depending on the economic cycle, also has the potential to reduce volatility. The investment team and investment committee remain confident that the Fiducian philosophy of liquidity and transparency will also benefit investors.

In investment performance surveys, our diversified funds remain regularly in or close to top quartile positions over longer time frames.

### **INFORMATION TECHNOLOGY – superior internal administration system**

Fiducian Information Technology has successfully replaced our externally provided administration system with a superior internal system to provide much greater control, efficiency and substantial cost savings and open up new business opportunities in the future. These improvements are now in place and dovetail to provide greater integration with our on-line reporting and financial planning system FORCe. Administration efficiencies have already been observed and enhancements will be ongoing.

## MEDIA RELEASE

### **BUSINESS SERVICES – expansion of practices**

Fiducian Business Services Pty Ltd is our subsidiary that was established to provide support to accountants for bookkeeping, accounts preparation and self managed superannuation fund administration. It now has two accounting practices which operate as Fiducian Accountants & Business Advisers (FABA) in NSW and Queensland. Cross referrals of our financial planning clients needing accounting help and our accounting clients needing financial planning help further supports Fiducian's value proposition of service to all our clients. Our Self Managed Superannuation Fund administration facility has been showing steady growth in the number of funds administered. It is supported by our presence in India for cost rationalisation.

Fiducian Business Services should also become a strong growth pillar for our business in future years. It can provide a stable recurring income stream and cushion any financial market earnings downturn as its earnings are not directly related to the financial markets.

### **FUTURE OUTLOOK – expanding revenue base**

The Board believes that financial markets should improve going forward and help improve the values of our clients' portfolios.

The Board also expects profits to continue in coming years as management focuses on expanding its range of business activities and on realizing the full potential of financial planning, platform administration, investment management, information technology and business/accounting services. Expenditure controls remain a priority.

Ends.

---

**For further information, please contact:**

Christine Howard, Head of Marketing & Communications Phone (02) 8298 4621 or Mobile 0407 089 825